

The Legal Protection for Trademark Rights in the Judge's Decision of Indonesia

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Abstract

Registered trademark, in Indonesia legal system, is entitled to legal protection, as required by the Act of Number of 15 of 2001 on Trademark Rights. It sometimes to provide guarantee of legal protection, will involve the role of a judge establishing a legal decision on dispute of trademark rights in the court. There is a problem of judge's decision of Indonesia on dispute of trademark rights which in discussion of debate. In this context, it is the most important to do legal research in normative by conceptual and legislation approach related to legal certainty in legal protection for trademark rights in the judge's decision of Indonesia. The result of research shows there judge's decision which has already provided legal certainty for legal protection of trademark rights. Indonesia judge tends to accomodate legal protection of the applicant of trademark rights in the bad faith.

Keywords: Trademark Rights, The Judge's Decision of Indonesia, and Legal Certainty

1. Introduction

In an activity of business, existence of trademark is the most important as a trademark attached to goods and services¹. It differentiates with others. The trademark is not only as diffrentiator, but also a company asset which is the most valuable. There are trademarks which in well-known marks². Existence of a trademark in business, also, can be a liaison between consumers and business actors. For consumers, the trademark can be a consideration for quality, price, and trust. It shows social status in society. Meanwhile, for business actors (producer), trademark is identity of goods offered.

Existence of trademark for business actors (producer), not only as instrument in trade competition but also exclusive trademark image. It becomes easy to remember for the consumer³. Function of trademark in business, as follows⁴:

- a. Identification marks to differentiate one product from another product (identity product), this function also connects goods or services with producer as guarantee of reputation of business result in trade.
- b. Means of trade promotion (means of trade promotion), through advertising. Trademark as one of the goodwill to attract consumers, as one of the symbols of business to expand the product market.
- c. Guarantee on the quality of the goods or services (quality guarantee), this not only benefits the business of the trademark owner but also provides protection of quality of goods or services for consumers.
- d. The designation of the origin of the goods or services produced (source of origin). A trademark represents the identifier of the origin of the good or service which links the goods or services to the producer or between goods and services with the region or country of origin.

To introduce a trademark which can be received by consumers, it needs good marketing strategy, high cost, and a long time⁵. However, owner's trademark tries to promote it and to prevent the others which use it in bad faith. Trademark registration is one of the efforts for legal protection of trademark rights in Indonesia legal system.

Famous trademark, empirically, it is often falsified by those in bad faith. Actually, trademark rights are exclusive right protected by regulation of Indonesia trademark right. Legal protection for trademark rights of Indonesia, is intended that the use of trademark right in only the owner itself⁶.

Unauthorized use of the mark may result unfair business competition. It can damage the quality of product and its authenticity. Also, it will destroy reputation of product. This is a consideration for the importance of legal protection of trademark rights⁷. However, Act of Number of 15 of 2001 on Trademark rights of

¹ Ali Mohammadi and Fatemeh Zahmati, "Process Objections to the Registration of Property Rights", *Journal of Law, Policy and Globalization*, Volume 36, 2015, p. 110.

² OK. Sadikin. 2004. *The Legal Aspect of Intellectual Property Rights*, Raja Grafindo Persada, Jakarta, Indonesia, p. 359.

³ Chadijah Rizki Lestari, "Paper In Conference for APHKI-VII", *Theme: Development for Property Rights In ASEAN Society*, University of North Sumatera, November 8-11, 2016.

⁴ Budi Agus Riswandi and M. Samsudin. 2004. *Property Rights and Legal Culture*, PT Raja Grafindo Persada, Jakarta, Indonesia, p. 84

⁵ Tommy S.U, at. All. 2002. *An Introduction to Property Rights*, PT. Alumni, Bandung, Indonesia, p. 131.

⁶ Anne Fitzgerald & Brian Fitzgerald. 2004. *Intellectual Property in Principle*, Law Book Co, Sydney, p. 363.

⁷ Muhamad Djumhana. 2014. *Property Rights, History, Theory, and Praktece In Indonesia*, PT. Citra Aditya Bakti, Bandung, Indonesia, p. 207.

Indonesia, provides legal certainty for legal protection for trademark rights. This becomes legal basis in frame work of dispute in trade mark. In the fact, there is judge's decision on such dispute of trademark right which still pays attention to the values of justice.

2. Method of Research

This research uses normative legal research which is to examine basic norms in Indonesia's positive legal¹. This research², also uses regulation and conceptual approach³. Regulation approach is useful for Indonesia regulation which concerned with legal issues of trademark rights, while the conceptual approach is used to analyze The Legal Protection for Trademark Rights In The judge's Decision of Indonesia. Therefore, the conceptual approach is based on jurists' opinion and legal experts' view. This research uses written legal materials as analysis instrument, containing primer legal materials such as Indonesia Regulations on Act of Number of 15 of 2000, and secondary legal materials such as text books, law journal, law article, and scientific paper on law. Author analyses this topic research using interpretation of legal material substance based on legal theory and legal principle, in order to explain the nature of justice for The Legal Protection for Trademark Rights In The judge's Decision of Indonesia.

3. Result and Discussion

Indonesia has ratified Convention on World Trade Organization which in Trade Related Aspect of Intellectual Property Rights/TRIPs. Then, its participation has poured into the Act of Number of 7 of 1994 on Ratification of Agreement Establishing the World Trade Organization. As a consequence, Indonesia must obey and perform the substance of convention. Such ratification, also, it has stimulated Indonesia government to ratificate Paris Convention for the Protection of Industrial Property. Then, Indonesia has poured into Indonesian Presidential Decree of Number of 15 of 1997. These ratifications by Indonesia government, it becomes obligation for Indonesia to obey them.

The increasing trade flows in the globalization era resulted in the trade in goods and services that have exceeded the borders of the country. However, every country has relied on economic and trade activity towards goods and services based on human intellectuals. While, trademark is one of human intellectual work. For that reason, trademark right is human intellectual which must be provided by legal protection in all. This is to support fair competition.

In Indonesia legal system context, the role of judge in legal protection of trademark right is very important. Its legal decision can create legal protection for famous registered trademark when there dispute of trademark right. According to my research for judge's decision of Indonesia on trademark right dispute, it shows that legal decision of judge which still provides justiceable legal certainty, such as Judgement of Indonesia Supreme Court of Number of 85 PK/ Pdt.Sus-HKI/2015 and Judicial Reconsideration of Indonesia Supreme Court. In this Judicial Reconsideration containing Wen Ken Drug Co. Pte. Ltd as a plaintiff versus Russel Vince as a defendant. Judge's decision Indonesia Supreme Court has refused Wen Ken Drug Co. Pte. Ltd.

In this case, there was a lawsuit of Russel Vince. He was an English citizen who filled a lawsuit against toward brand "*Cap Kaki Tiga*" in Indonesia. This brand has been used by Wen Ken Drug Co. Pte. Ltd of Indonesia in health drink product. In Russel Vince's lawsuit, there was an objection to "*Cap Kaki Tiga*" brand because it had an equation with Isle of Man's symbol of state.

Judicial Reconsideration of Indonesia Supreme Court on case of Wen Ken Drug Co. Pte. Ltd, it has been refused request for cassation of Indonesia government, namely the Directorate General of the Trademark Rights, the Ministry of Justice and Human Rights. Also, it has been refused request for cassation of Wen Ken Drug Co. Pte. Ltd. The consideration of Judicial Reconsideration, as follows:

- a. The appeal of cassation is not justified, because of Jakarta Commercial Court in *judex facti*, it is correct in the applying the law. Indonesia regulation on trademark rights has stated that request for trademark rights must be rejected if the trademark is an imitation or resembles of a country's name, symbol, flag or its symbol, unless it has obtained written permission from the competent authority.
- b. The party who applied for the registration of trademark right, when the trademark is an imitation or resembles of a country's name, symbol, flag or its symbol, it must be rejected without waiting for the objections of the owner of the symbol.
- c. In this case, the Directorate General of the Trademark Rights, the Ministry of Justice and Human Rights of Indonesia has neglected the regulation of Indonesia on Trademark rights of Number of 15 of 2001, so

¹ Johnny Ibrahim. 2005. *Theory and Method For Normative Legal Research*, Bayumedia Publishing, Surabaya, Indonesia, p. 252.

² Jordan, "Legal Principles, Legal Values and Legal Norms: Are they the Same or Different?", *Journal of Akademikus*, Volume 2, 2010, p. 109.

³ Peter Mahmud Marzuki, 2007, *The Legal Research*, Kencana Predana, Media Group, Jakarta, p. 30.

trademark registration of “*Cap Kaki Tiga*”, it is void.

- d. Although, there is no party for objection of “*Cap Kaki Tiga*”, in fact, it is the symbol of the state of Isle of Man. So, the Directorate General of the Trademark Rights, the Ministry of Justice and Human Rights of Indonesia must refuse registration of trademark of “*Cap Kaki Tiga*”.
- e. Registration of trademark of “*Cap Kaki Tiga*” in null and void.
- f. Judges of Indonesia Supreme Court have ordered to revoke trademark of “*Cap Kaki Tiga*” in registration of the Directorate General of the Trademark Rights, the Ministry of Justice and Human Rights of Indonesia.
- g. In decision’s Judges of Indonesia Supreme Court, that consideration of Jakarta Commercial Court on Case of Wen Ken Drug Co.Pte.Ltd, it is not contrary to the regulation of Indonesia on Trademark rights of Number of 15 of 2001.

In decision’s Judges of Indonesia Supreme Court concluded that the Directorate General of the Trademark Rights, the Ministry of Justice and Human Rights of Indonesia had to cancel registration of “*Cap Kaki Tiga*” including Wen Ken Drug 's “*Cap Kaki Tiga*” certificate. Then, anybody should not use trademark of “*Cap Kaki Tiga*” since September, 2nd, 2016. This decision, in my view, it dedicates to justice and legal certainty.

There is decision’s Judge of Indonesia Supreme Court of Number of 557 K/Pdt. Sus-HKI/2015 in Pierre Cardin as plaintiff vs Alexander Satryo Wibowo and the Directorate General of the Trademark Rights, the Ministry of Justice and Human Rights of Indonesia as defendant. There is question in this decision about the justice.

Description of this case, I describe it as follows: In 1977, Pierre Cardin was a famous designer who come from France. He sued Alexander Satryo Wibowo who has registered trademark of *Pierre Cardin* in Indonesia. In Decision’s Judge of Indonesia Supreme Court, it rejected Pierre Cardin’s suit. Indonesia judge in its legal consideration, as followed:

- a. Judge of Indonesia Supreme Court has rejected Pierre Cardin’s suit. There was legal reasoning that judge (*judex facti*) has properly applied the law.
- b. Main problem this case that Pierre Cardin begged judge to cancel registration of *Pierre Cardin* trademark. According to Pierre Cardin’s view that Alexander Satryo Wibowo in bad faith who has been fuming for trademark of “*Pierre Cardin*”.
- c. In fact, Alexander Satryo Wibowo was the first registrant for trademark of “*Pierre Cardin*” on July, 29nd 1977.
- d. Alexander Satryo Wibowo who was the first registrant for trademark of “*Pierre Cardin*” in 1977. Based on that, in Indonesia judge’s opinion that registration was acceptable. Moreover, “*Pierre Cardin*” was not previously known in Indonesia.
- e. Trademark of “*Pierre Cardin*” who was registered by Alexander Satryo Wibowo in difference of PIERRE CARDIN from France. Alexander Satryo Wibowo’s trademark of “*Pierre Cardin*” kept to use by words in Product by PT.Gudang Rejeki for difference.
- f. Registration by Alexander Satryo Wibowo, it did not have the intention to piggyback on the fame of Pierre Cardin. So it could not be viewed as Alexander Satryo Wibowo’s bad faith.

An analysis of the judge's legal consideration in the case of Pierre Cardin, according to my opinion:

1. In my analysis that Indonesia judge’s legal consideration for Pierre Cardin difference, it is not appropriate. Let’s see Indonesia regulation on Trademark rights which states that similarities caused by the presence of prominent elements between trademark each others, which may give the impression of equality of form, way of placement, way of writing or combination of elements or equations of speech sounds contained in the trademark (see Article 6 of the regulation of Indonesia on Trademark rights of Number of 15 of 2001). Based on such regulation, there similarity on *Pierre Cardin*’s France version and Alexander Satryo Wibowo’s version. Let see this trademark below:

Trademark of Pierre Cardin of France Version:



Trademark of Pierre Cardin of Alexander Satryo Wibowo Version:



Compare with:

Logo of PIERRE CARDIN of France:



It seems that there seems to be a French Pierre Cardin trademark in equation with Alexander Satriyo Wibowo's version.

2. Well-Known Marks. According to the regulation of Indonesia on Trademark rights of Number of 15 of 2001 that well-known marks require to pay attention to public knowledge of the trademark in the field of business concerned. In addition, it is also noted that reputed marks are acquired due to intense and massive promotions, investments in some countries by their owners, and with evidence of trademark registration in some countries. If not considered sufficient, the Commercial Court may order an independent institution to conduct a survey in order to obtain a conclusion as to whether or not the trademark is reputable. Based on that, in Decision's Judges of Indonesia Supreme Court of Number of 1486 K/Pdt/1991 of November 18nd, 1995 describes well-known marks. Trademark which has circulated out of regional borders even to transnational borders hence if a trademark has been registered in many countries, it is qualified as a well-known brand because it has circulated to the borders of its home country. In my analysis that *Pierre Cardin* is a well-known trademark in the business world of French origin. It is recognized as a quality and prestigious product for consumers who use it.
3. The judges should consider Article 6 of Paris Convention and Article 16 Paragraph (2) TRIPs clearly states that the act of imitating, piggybacking, producing and modeling the trademark's fame of others that it is clearly a pirate act is badly wrong. Likewise, the notion of bad faith can be based a contrario from the explanation of Article 4 of the regulation of Indonesia on Trademark rights of Number of 15 of 2001, that the applicant in good intention is the applicant who registers his trademark properly and honestly without any intention to piggyback, imitate, trace the other's trademark fame in the interest of his business resulting in a loss to the other party or resulting in a condition of fraudulent competition, deceiving, or misleading the consumer.

To support the principle of good faith, which is associated with the trademark, it should also consider Decision's Judges of Indonesia Supreme Court of Number of 220 PK / Pdt / 1986, December 16, 1986 that the Indonesia government must emphasize the need for the use of trademark which shows national identity and not using foreign trademark. Imitating the well-known foreign trademark. Actually, *Pierre Cardin* trademark is the French language not Indonesian language. Decision's Judges of Indonesia Supreme Court of Number of 39 K /Pdt/ 1989 also explains the legal relationship between bad faith and unfair competition in the business world, it can undermine joints of harmony of protection for the consumer.

4. Closing

There is the judge's decision of Indonesia on trademark dispute which could not provide legal certainty in security. Especially, legal protection for the well-known trademark. The judge's decision of Indonesia tends to ignore good faith of the applicant who will register such trademark.

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